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BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE STATE OF CALIFORNIA

Order Instituting Investigation into Southern California Gas Company's Risk Assessment and Mitigation Phase November 2019 Submission.	Investigation 19-11-010 (Filed November 7, 2019)
Order Instituting Investigation into San Diego Gas & Electric Company's Risk Assessment and Mitigation Phase November 2019 Submission.	Investigation 19-11-011 (Filed November 7, 2019)

THE PROTECT OUR COMMUNITIES FOUNDATION PROPOSAL REGARDING HOW THIS PROCEEDING SHOULD MOVE FORWARD IN LIGHT OF THE DIRECTIVES IN D.20-01-002

Malinda Dickenson, General Counsel
The Protect Our Communities Foundation
4452 Park Blvd. #202
San Diego, California 92116
Tel: (858) 521-8492
Email: malinda@protectourcommunities.org
Attorney for The Protect Our Communities Foundation

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At the request of Administrative Law Judge Rafael L. Lirag (ALJ Lirag) at the February 26, 2020 prehearing conference in the above-captioned proceeding, The Protect Our Communities Foundation (POC) presents the following proposal regarding how I.19-11-010 and I.19-11-011 (this RAMP proceeding) should proceed in light of D.20-01-002, which modified the Commission's rate case plan for the large energy utilities by, among other things, extending the current three-year general rate case (GRC) cycle to a four-year GRC cycle.[1]

I. INTRODUCTION

At the prehearing conference in this proceeding, ALJ Lirag explained that it would be helpful to have briefing on the issues of "how this proceeding should move forward," the impact of D.20-01-002, and whether this RAMP proceeding should be consolidated with the petition for modification of D.19-09-051 that will be filed in A.17-10-007/008 – SDG&E's and SoCalGas' test year (TY) 2019 GRC proceeding.[2]

[1] D.20-01-002, *Decision Modifying the Commission's Rate Case Plan for Energy Utilities* (January 16, 2020), p. 78 (OP 3).
[2] I.19-10-010/011, February 26, 2020 Prehearing Conference Transcript (March 4, 2020), p. 27.

ALJ Lirag also requested comment as to how the Joint 2019 Risk Assessment and Mitigation Phase Report of Southern California Gas Company (SoCalGas) and San Diego Gas & Electric Company (SDG&E) (2019 RAMP Report) "should be reviewed in light of the petition for modifications that will be filed."[3] POC appreciates the opportunity to propose that this RAMP proceeding can and should inform the Commission's consideration of the rates requested by SDG&E and SoCalGas in the years 2022 and 2023. POC proposes that this proceeding should proceed as intended – with the RAMP review process informing the Commission's review of SDG&E's and SoCalGas' upcoming GRC filing. As explained below, the fact that D.20-01-002 identifies the years 2022 and 2023 as third and fourth attrition years in the TY2019 GRC proceeding, as opposed to a test year and a first attrition year in a TY2022 proceeding, should not be interpreted as an obstacle to incorporating present-day risk analysis and risk mitigation requirements into the Commission's review of SDG&E's and SoCalGas' 2022 and 2023 requested rates.

II. THE RAMP REVIEW PROCESS IN THIS PROCEEDING SHOULD INFORM THE COMMISSION'S REVIEW OF SDG&E'S AND SOCALGAS' 2022 AND 2023 REQUESTED REVENUE REQUIREMENTS.

The November 7, 2019 Orders Instituting Investigations (OIIs) in this proceeding explained that "The RAMP filing and comment process will then form the basis of [SDG&E's and SoCalGas'] assessment of its safety risks in its general rate case filing."[4] The OIIs further explained that the purpose of this RAMP proceeding is to provide a forum for evaluation of SDG&E's and SoCalGas' approach to risk, which will then be used in the GRC review:

> In this OII, we intend to carry out the procedures described in D.14-12-025 of having a forum in which to evaluate [SDG&E's and SoCalGas'] 2019 RAMP submission. This submission is to address the risk assessment approach that [SDG&E and SoCalGas] plan[] to use in its upcoming TY2022 GRC application. [SDG&E's and SoCalGas'] 2019 RAMP submission shall use the risk assessment methods and RAMP guidelines provided in D.16-08-018 but shall also apply the modifications to the 10 recommended RAMP components as directed in D.18-12-024.[5]

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[3] *Ibid.*

[4] I.19-11-011, Order Instituting Investigation into the Risk Assessment and Mitigation Phase Submission of San Diego Gas & Electric Company (November 7, 2019) (OII), p. 1-2; I.19-11-010, Order Instituting Investigation into the Risk Assessment and Mitigation Phase Submission of Southern California Gas Company (November 7, 2019) (OII), p. 1-2. On November 11, 2019, I.19-11-010 and I.19-11-011 were consolidated. I.19-11-010/011, Administrative Law Judge's Ruling Consolidating Proceedings and Setting Prehearing Conference Schedule (November 11, 2019), p. 2.

[5] I.19-11-010, OII, p. 4; I.19-11-011, OII, p. 4.

The proposed schedule in the OIIs anticipated that SDG&E and SoCalGas would incorporate their RAMP results into their TY2022 GRC application "between June and August 2020," and that the utilities would file their TY2022 GRC application and serve "prepared testimony including changes resulting from the RAMP process" by September 2, 2020.[6] This schedule was designed to allow all of the parties an opportunity to ensure "that safety considerations are being considered in the utility's GRC filing in an open and transparent manner"[7] and to satisfy the purpose of RAMP:

> The purpose of the RAMP filing will be to review the utility's RAMP submission for consistency and compliance with its prior S-MAP, and to determine whether the elements contained in the RAMP submission can be used in the utility's GRC filing to support its position on the assessment of its safety risks, and its plans to manage, mitigate, and minimize those risks in the context of the utility's upcoming GRC application filing.[8]

On January 16, 2020, in R.13-11-006, the Commission decided D.20-01-002.[9] D.20-01-002 changed the Commission's general rate case plan for the large energy utilities[10] from a three-year cycle to a four-year cycle.[11] The Commission directed SDG&E and SoCalGas to file a petition for modification of D.19-09-051 (the decision on SDG&E's and SoCalGas' TY2019 GRC applications)[12] and directed "SoCalGas and SDG&E to request two additional attrition years (2022 and 2023) in their petition for modification of D.19-09-051 in order to avoid having their next GRCs filed in the same year as PG&E in 2021."[13] Furthermore, "in order to accommodate the timing for PG&E," the Commission delayed SDG&E's and SoCalGas' next GRC filing from 2020 (for a 2022 test year) for two years to 2022 (for a 2024 test year); and delayed SCE's next GRC from 2022 (for a 2024 test year) by one year to 2023 (for a 2025 test year).[14] Thus, only SDG&E and SoCalGas have an initial five-year GRC cycle.

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[6] I.19-11-010, OII, p. 5, 7; I.19-11-011, OII, p. 5, 7.
[7] D.14-12-025, *Decision Incorporating a Risk-Based Decision-Making Framework Into the Rate Case Plan and Modifying Appendix A of Decision 07-07-004* (December 4, 2014), p. 39.
[8] D.14-12-025, p. 52 (Finding of Fact 26).
[9] D.20-01-002, *Decision Modifying the Commission's Rate Case Plan for Energy Utilities* (January 16, 2020).
[10] Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), SoCalGas, and SDG&E. D.20-01-002, p. 2, fn. 1.
[11] D.20-01-002, p. 78 (OP 3).
[12] D.19-09-051, *Decision Addressing the Test Year 2019 General Rate Cases of San Diego Gas & Electric Company and Southern California Gas Company* (September 26, 2019).
[13] D.20-01-002, p. 52.
[14] D.20-01-002, p. 53.

The Commission directed SDG&E and SoCalGas to add the years 2022 and 2023 as attrition years in their TY2019 GRC proceeding in a petition for modification of D.19-09-051 "as soon as practicable."[15] The Commission further required SDG&E and SoCalGas to provide sufficient information in their petition for modification so as to allow for robust evaluation and review of the requested revenue requirements for 2022 and 2023:

> SoCalGas and SDG&E shall include in their petition detailed information to enable the Commission and interested parties to evaluate the utilities' requested revenue requirements for the two additional attrition years, including but not limited to: proposed escalation factors, anticipated Pipeline Safety Enhancement Plan and other capital projects for 2022 and 2023, and updates to all relevant forecasts from their 2019 GRC applications.

Additionally, the Commission acknowledged that RAMP-related information comprises crucial components of the information needed to evaluate the requested revenue requirements for 2022 and 2023. The Commission directed SDG&E and SoCalGas to address the relationship between D.20-01-002 and its 2016 and 2019 RAMP proceedings; and further required SDG&E and SoCalGas to provide sufficient RAMP-related details to enable the Commission to properly evaluate SDG&E's and SoCalGas' proposals for 2022 and 2023:

> The petition filed by SoCalGas and SDG&E should also address the interaction between this decision and their respective RAMP proceedings. We note that both utilities incorporated the results of their 2016 RAMP proceedings (I.16-10-016 and I.16-10-015, respectively) into their 2019 GRC applications. Those results informed each utility's forecasted requests for test year 2019 operations and maintenance expenses and 2017-2019 capital investment (*see*, I.16-10-015 and I.16-10-016, March 5, 2018 Motion of SDG&E and SoCalGas to close their RAMP proceedings, at 5). Furthermore, the Commission recently opened I.19-11-010 and I.19-11-011 for SoCalGas and SDG&E, respectively, which as-filed are intended to support test year 2022 GRC forecasts by each utility. Now that this decision has designated 2022 and 2023 as additional attrition years in the 2019 GRCs and the next GRC test year for SoCalGas and SDG&E will be 2024, their petition for modification of D.19-09-051 should provide RAMP-related information and procedural proposals to (1) support the Commission's evaluation of their 2022 and 2023 attrition year proposals; (2) suggest a procedural disposition for I.19-11-010 and I.19-11-011; and (3) explain to the Commission and interested parties how the utilities intend to submit their RAMP applications in support of their test year 2024 GRCs.[16]

[15] D.20-01-002, p. 55.
[16] D.20-01-002, p. 52-53.

In light of these requirements, no legitimate reason exists not to incorporate the RAMP results anticipated in this proceeding into SDG&E's and SoCalGas' upcoming TY2019 GRC filing. However, at the prehearing conference, SDG&E and SoCalGas suggested that the results of a review of their 2019 RAMP Report should not be incorporated into a GRC at all because 2022 is now identified as an attrition year instead of a test year,[17] and because review of attrition years "are typically determined by deciding an attrition mechanism that escalates the O&M expenses and the capital expenditures."[18] The page of D.20-01-002 to which SDG&E and SoCalGas cited, however, explains that it is not always true that review of attrition years is a mere calculation or formulaic adjustment to the test year revenue requirement:

> The post-test year revenue requirements are typically determined by (1) escalating the test year O&M expenses, and (2) authorizing capital expenditures at a level determined by either (i) applying additional escalation factors, **or (ii) further review of the applicant utility's actual capital budgets for those years**.[19]

As D.20-02-001 acknowledges, a "uniform and consistent attrition year ratemaking mechanism that would factor in uncertainties during the attrition years" does not currently exist.[20] Based on the directives set forth in D.20-01-002 which expressly require "detailed information," the Commission's review of SDG&E's and SoCalGas' requested revenue requirements for 2022 and 2023 should indeed be based on further review of SDG&E's and SoCalGas' "actual capital budgets for those years."[21] This RAMP proceeding can then be incorporated into review of SDG&E's and SoCalGas' actual capital budgets for 2022 and 2023, whether those years are identified as third and fourth attrition years or as a test year and a first attrition year.

In short, no compelling reason exists to skip RAMP and GRC integration for 2022 and 2023 or to wait for SDG&E's and SoCalGas' 2021 RAMP application and their 2022 TY2024 GRC application. This RAMP proceeding can and should be thorough and used to inform the upcoming review of SDG&E's and SoCalGas' requested revenue requirements for 2022 and 2023 in their petition for modification of D.19-09-051[22] in their TY2019 GRC proceeding.[23]

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[17] I.19-10-010, 011, February 26, 2020 Prehearing Conference Transcript (March 4, 2020), p. 14-15.
[18] I.19-10-010, 011, February 26, 2020 Prehearing Conference Transcript (March 4, 2020), p. 17.
[19] D.20-01-002, p. 8 (emphasis added).
[20] D.20-01-002, p. 29, 32.
[21] D.20-01-002, p. 8.
[22] Two applications for rehearing of D.19-09-051 filed on October 31, 2019 by POC and The Utility Reform Network (TURN), respectively, remain pending.
[23] A.17-10-007/008.

III. ADHERING TO RISK ASSESSMENT AND RISK MITIGATION REQUIREMENTS IN REVIEWING SDG&E'S AND SOCALGAS' 2022 AND 2023 REQUESTED RATES IS NOW MORE CRITICAL THAN EVER.

SDG&E's and SoCalGas' requested rates for 2022 and 2023 should be evaluated and reviewed in accordance with today's best risk analysis and risk mitigation practices. Incorporating the parties' comments[24] in this RAMP proceeding into the review of SDG&E's and SoCalGas' 2022 and 2023 requested rates is necessary to fulfill the Commission's duty[25] to ensure "fairness for all parties."[26] As the Commission explained in D.20-01-002, allowing the utilities to move to a four-year GRC cycle concomitantly requires the utilities to be more transparent and forthcoming throughout the GRC cycle:

> If the Commission is to accommodate the utilities' suggestions that a four-year cycle requires a more flexible regulatory approach, the utilities must reciprocate by more openly engaging in an ongoing dialog throughout the GRC cycle that enables the Commission to review their activity in a transparent manner and ensure the utilities are held accountable for how they spend ratepayer funds. Again, this will fulfill the Commission's intent that underlies the entire risk-mitigation framework adopted in D.14-12-025.[27]

Unlike the other utilities, SDG&E and SoCalGas was not required to conform to then-current risk requirements when it filed its 2016 RAMP Report.[28] Nor has SDG&E's and SoCalGas' approach to risk assessment and risk mitigation been reviewed for compliance with D.18-12-014,[29] which was decided after SDG&E's and SoCalGas' TY2019 GRC was filed. Thus, the Commission should thoroughly review the 2019 RAMP Report and require SDG&E and SoCalGas to meet the requirements in both D.16-08-018 and D.18-12-014; and the 2019 RAMP Report analysis should inform the Commission's and the parties' upcoming review of SDG&E's and SoCalGas' 2022 and 2023 requested rates.

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[24] I.19-11-010/011, February 26, 2020 Prehearing Conference Transcript (March 4, 2020), p. 44 (requiring comments on the RAMP submission by April 6, 2020).
[25] D.20-01-002, p. 11 ("Given the vastly different resources at the disposal of the utilities and their customers, it is up to the Commission to maintain the balance in outcomes between customers and shareholders. This somewhat theoretical construct becomes very real when the Commission fulfills its responsibility and quantifies this balanced outcome in its decisions in general rate cases.")
[26] D.20-01-002, p. 13.
[27] D.20-01-002, p. 26 (footnotes omitted).
[28] D.16-08-018, *Interim Decision Adopting Multi-Attribute Approach (Or Utility Equivalent Features) and Directing Utilities to Take Steps Toward a More Uniform Risk Management Framework* (August 18, 2016), p. 153, 196 (OP 9).
[29] D.18-12-014, *Phase Two Decision Adopting Safety Model Assessment Proceedings (S-MAP) Settlement Agreement with Modifications* (December 13, 2018).

A. SDG&E's and SoCalGas' Rate Requests for 2022 and 2023 Should Be Analyzed in the Context of the Minimum Risk Assessment and Risk Mitigation Analysis Requirements Established by D.16-08-018 and D.18-12-014.

As mentioned above, SDG&E and SoCalGas were not required to comply with D.16-08-018 in their 2016 RAMP report which was used in to inform their TY2019 GRC.[30] Among other things, D.16-08-018 directed the utilities "to remove shareholders' financial interests from consideration in their risk models and decision frameworks used to support rate case expenditure proposals, especially at the operational level, unless the utility can make a good case for an exception in its Risk Assessment Mitigation Phase filing."[31] Acknowledging the importance of prioritizing mitigation measures based on cost-effectiveness, the Commission also mandated that RAMP filings "shall explicitly include calculation of risk reduction and a ranking of mitigations based on risk reduction per dollar spent."[32] SDG&E and SoCalGas have not yet complied with these key and critical Commission mandates.[33]

The Commission should also ensure that SDG&E's and SoCalGas' 2019 RAMP Report meets the requirements of D.18-12-014, which was decided after SDG&E's and SoCalGas' TY2019 GRC was filed and thus could not yet have been the subject of any Commission review. The steps necessary for SDG&E and SoCalGas to bring their 2019 RAMP Report into compliance with D.18-12-014 should also inform the Commission's evaluation of SDG&E's and SoCalGas' requested rates for 2022 and 2023 in the GRC proceeding. D.18-12-014 approved a settlement agreement "that achieves steps toward a more uniform and quantitative risk-based decision making framework in the Safety Model Assessment Proceeding (S-MAP)."[34] The provisions of the settlement agreement approved in D.18-12-014 "constitute the minimum required elements for risk and mitigation analysis in the" RAMP and GRC.[35]

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[30] D.16-08-018, p. 196 (OP 9: "Because the Sempra utilities…have limited time to file a Risk Assessment Mitigation Phase (RAMP), SDG&E and SoCalGas shall file a RAMP based on its current risk evaluation and risk-based decisionmaking methodologies, and additional requirements as listed in the ten major components that shall be included in the RAMP filings.").
[31] D.16-08-018, p. 195-196 (OP 6).
[32] D.16-08-018, p. 196 (OP 8).
[33] *See e.g.* D.16-08-018, p. 196 (OP 9); *see also* D.19-09-051, p. 762 (Conclusion of Law 3: "The Commission's guidance regarding RAMP was limited at the time Applicants submitted their GRC applications." Conclusion of Law 4: "We expect RAMP integration in future GRC filings to provide better information on what spending is proposed to mitigate risks and how past spending has reduced risk per dollar spent.").
[34] D.18-12-014, p. 2.
[35] D.18-12-014, p. 2.

As the OII in this proceeding describes the risk analysis requirements in the settlement agreement adopted by the Commission, "D.18-12-014 requires: (a) that more information be available and more opportunities exist for collaboration regarding how potential RAMP risks are evaluated; (b) greater potential for the inclusion of risks that have major safety impact, reliability, and financial impact; and (c) that risk spend efficiency calculations for risk mitigations are independent of RAMP risk selection."[36] Specific examples of requirements contained within the settlement agreement approved by D.18-12-014 include the following:

- Utilities are required to use utility specific data in identifying potential consequences of and frequency of a risk event; [37]
- Utilities are required to measure risk reduction provided by a risk mitigation;[38]
- Utilities are required to calculate risk spend efficiency by dividing the mitigation risk reduction benefit by the mitigate cost estimate;[39]
- Utilities are required to "clearly and transparently explain its rational for selecting mitigations for each risk and for its selection of its overall portfolio of mitigations;"[40]
- Utilities are required to clearly state inputs and computations and clearly specify sources of inputs.[41]

Requiring SDG&E and SoCalGas to adhere to the transparency, cost effectiveness analysis, and other requirements of D.16-08-018 and D.18-12-014 as the Commission considers SDG&E's and SoCalGas' requested rates for 2022 and 2023 is particularly important because in the TY2019 GRC proceeding, "a considerable portion" of SDG&E's and SoCalGas' "requested increase in revenue requirement is comprised of RAMP-related requests," and because the Commission determined that SDG&E's and SoCalGas' approach to risk analysis in that proceeding left much to be desired.[42]

[36] I.19-11-010, OII, p. 3-4; I.19-11-011, OII, p. 3-4.
[37] D.18-12-014, Attachment A, p. A-8.
[38] *Id.* at p. A-12.
[39] *Id.* at p. A-13.
[40] *Id.* at p. A-14.
[41] *Id.* at p. A-17.
[42] D.19-09-051, p. 22 ("Since Applicants designate both the risk and mitigation activities as RAMP-related, and re-evaluated using a risk-based approach and framework, the general result is witness testimony that states that numerous activities are in fact mitigation of key risks, often leading to a higher forecast."); D.19-09-051, p. 762 ("The Commission's guidance regarding RAMP was limited at the time Applicants submitted their GRC applications…We expect RAMP integration in future GRC filings to

All California ratepayers should have the benefit of the cost-effectiveness analysis required by D.16-08-018 and the "more robust and stronger version of the ten recommended RAMP components than was first introduced in D.16-08-018."[43] In light of recent findings regarding SoCalGas' risk assessment failures and recent investigations into SoCalGas' questionable risk mitigation practices,[44] incorporating these risk requirements into the Commission's review of SoCalGas' 2022 and 2023 requested revenue requirements becomes critical. For different reasons discussed in further detail below, incorporating the most recent RAMP-related requirements into the Commission's review of SDG&E's 2022 and 2023 requested rates remains similarly critical.

B. SDG&E's Rate Requests for 2022 and 2023 Should Be Analyzed in the Context of the Commission's Determination That SDG&E's Wildfire Mitigation Plan Failed to Satisfy Risk Related Requirements.

The last time SDG&E filed a GRC application was before the enactment of Senate Bill 901, which required comprehensive wildfire mitigation plans (WMPs) to minimize utility infrastructure related wildfire risks.[45] Since then, the Commission determined that SDG&E's proposed wildfire mitigation programs – which are extraordinarily expensive - suffer from serious deficiencies and particularly in ways relevant to risk analysis and risk mitigation.[46]

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provide better information on what spending is proposed to mitigate risks and how past spending has reduced risk per dollar spent.").

[43] I.19-11-010, OII, p. 3; I.19-11-011, OII, p. 3.

[44] *See* I.19-06-014, Order Instituting Investigation on the Commission's Own Motion to Determine Whether Southern California Gas Company's and Sempra Energy's Organizational Structure and Governance Prioritize Safety (U904G) (June 27, 2019), p. 6-7 (noting, "the explosion at Line 235-2, and prolonged outages of Lines 235 and 4000;" and, regarding the "catastrophic Aliso Canyon incident," noting findings regarding the "lack of detailed follow-up investigation, failure analysis, or RCA of casing leaks, parted casings, or other failure events in the field in the past," "any form of risk assessment focused on wellbore integrity management," etc.).

[45] Sen. Bill No. 901 (2018); D.19-05-039, *Guidance Decision on 2019 Wildfire Mitigation Plans Submitted Pursuant to Senate Bill 901* (May 30, 2019), p. 11; Pub. Util. Code, § 8386(c)(11) (requiring WMPs to include: "A list that identifies, describes, and prioritizes all wildfire risks, and drivers for those risks, throughout the electrical corporation's service territory, including all relevant wildfire risk and risk mitigation information that is part of the Safety Model Assessment Proceeding and the Risk Assessment Mitigation Phase filings. The list shall include, but not be limited to, both of the following:
(A) Risks and risk drivers associated with design, construction, operations, and maintenance of the electrical corporation's equipment and facilities. (B) Particular risks and risk drivers associated with topographic and climatological risk factors throughout the different parts of the electrical corporation's service territory.").

[46] D.19-05-039, *Decision on San Diego Gas & Electric Company's 2019 Wildfire Mitigation Plan Pursuant to Senate Bill 901* (May 30, 2019); R.18-10-007, The Protect Our Communities Foundation Comments on Proposed Decision on Community Awareness and Public Outreach Before, During, and

For example, the Commission determined that a "key concern in all the utilities' WMPs, including SDG&E's, is that the 'metrics' are based on how much work the utility will perform (*e.g.*, how many trees it will cut, how many miles of conductor it will install), rather than on the results of this work (*e.g.*, reduction in wildfires or other events that cause wildfires)."[47] The Commission ordered SDG&E to include metrics that will actually minimize wildfire risk:

> SDG&E's metrics portion of its WMP should be focused on outcomes – that is, on measuring the amount by which the mitigation implemented reduces the risk of its electrical lines and equipment causing a catastrophic wildfire. The aim of the WMP portion of SB 901 is clear: "Each electrical corporation shall construct, maintain, and operate its electrical lines and equipment in a manner that will minimize the risk of catastrophic wildfire posed by those electrical lines and equipment." Pub. Util. Code § 8386(a). Every aspect of the Plan must be analyzed with this goal in mind.[48]

The Commission found the utilities' risk assessment to be deficient, explaining that the utilities' risk assessment was a "black box" which did not meet the requirements set forth in the Commission's S-MAP and RAMP decisions:

> Most of the IOU WMPs justify inspection and hardening program proposals as being informed by an internal risk assessment. However, that risk assessment is often a black box with insufficient description of the supporting information and rationale for proposed programs. Future filings should provide documentation of the risk analysis used to justify the proposals. A "trust us, we know what we are doing" approach to risk assessment is not appropriate given recent wildfire activity.[49]
>
> Our recent decision in the S-MAP/GRC context adopted an approach that prioritizes actions based on their "Risk-Spend Efficiency." The approach uses a tool called Multi-Attribute Value Function (MAVF) that provides a single value to measure the combined effects of each mitigation measure on a certain risk event. The process involves performing risk assessments and ranking risks using safety, reliability, and other attributes. This approach provides a means to compare the programs against each other for effectiveness, especially when multiple overlapping programs are proposed for the same assets and intended to mitigate the same risk event (i.e., increased vegetation clearing coupled with installing covered conductor and expanded de-energization practices).[50]

After a Wildfire, and Explaining Next Steps for Other Phase 2 Issues (February 25, 2020); R.18-10-007, The Protect Our Communities Foundation Reply Comments on Proposed Decision on Community Awareness and Public Outreach Before, During, and After a Wildfire, and Explaining Next Steps for Other Phase 2 Issues (March 2, 2020).

[47] D.19-05-039, p. 18.

[48] D.19-05-039, p. 21, 22.

[49] D.19-05-036, p. 29, fn. 42.

[50] D.19-05-036, p. 28 (footnote citing to D.18-12-014 omitted).

> Including such analysis in the WMPs would provide the Commission a transparent and effective way to balance overlapping programs in the WMP and assess which programs are needed and effective. As stated above, the statute requires "all relevant wildfire risk and risk mitigation information that is part of the Safety Model Assessment Proceeding and Risk Assessment Mitigation Phase filings." This quantitative information is relevant, and the process of conducting these analyses may allow stakeholders to better understand the cost effectiveness of proposed mitigations.[51]

After identifying various deficiencies with the utilities' WMPs, the Commission directed the utilities to file additional reports, submit advice letters, collect data, participate in additional workshops, and the Commission initiated a second phase of the proceeding.[52] These requirements were intended to assist with review of the 2020 WMPs and "to help evaluate the effectiveness of the mitigation measures in [the 2019] WMPs."[53] The Commission ordered the utilities to "file two Tier 3 Advice Letters entitled 'Reports on Possible Off Ramps,' describing any concerns about the effectiveness of any program in their individual Wildfire Mitigation Plans."[54]

Although SDG&E is the only utility whose 2019 Wildfire Mitigation Plan was neither approved nor conditionally approved by the Commission,[55] in its Advice Letter SDG&E brashly claimed that it "does not have any specific concerns about the effectiveness of any program in its 2019 WMP."[56] To date, the Commission has not evaluated the effectiveness of SDG&E's wildfire risk mitigation measures.[57]

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[51] D.19-05-036, p. 29 (footnotes citing to black box quote and to D.18-12-014, p. 44 omitted).
[52] D.19-05-036, p. 40-41 (requiring Advice Letters describing concerns about the effectiveness of WMPs); *id.* at 41 (requiring data collection reports); *id.* at 42-43 (requiring additional workshops); R.18-10-007, Assigned Commissioner's Scoping Memo and Ruling for Phase 2 (September 18, 2019).
[53] D.19-05-036, p. 40.
[54] D.19-05-036, p. 40-41 ("Each report shall clearly describe the concern, contain a specific proposal for action, including if applicable a recommendation to reduce or end the specific mitigation identified, and include any expert or other authoritative information available on the efficacy of the mitigation.").
[55] Every decision on the utilities' WMPs – except SDG&E's – contains an ordering paragraph expressly either approving or conditionally approving the WMP. *See* D.19-05-041, p. 6 (OP 1); D.19-05-041, p. 58 (OP 2); D.19-05-037, p. 58 (OP 1); D.19-05-038, p. 51 (OP 1); D.19-05-040, p. 82 (OP 1); D.19-05-040, p. 84 (OP 14); D.19-05-040, p. 87 (OP 28); *compare* D.19-05-039, p. 29 (no similar ordering paragraph).
[56] SDG&E Advice Letter 3472-E, p. 2.
[57] D.20-03-004, *Decision on Community Awareness and Public Outreach Before, During and After a Wildfire, and Explaining Next Steps for Other Phase 2 Issues* (March 12, 2020), p. 43 (OP 24).

SDG&E and SoCalGas are the only utilities who, in the transition from a three-year GRC cycle to a four-year GRC cycle, will enjoy an initial five-year GRC cycle. The five year gap between SDG&E's and SoCalGas' TY2019 GRC application (filed in 2017), and its TY2024 GRC application (to be filed in 2022), creates *more* of a need to review SDG&E's and SoCalGas' "RAMP submission for consistency and compliance with the S-MAP as described in D.16-08-018 and D.18-12-014" and for the parties to comment on the utilities' RAMP submission and any report by SED[58] - not less. If the Commission fails to assess fully SDG&E's and SoCalGas' 2019 RAMP Report or to incorporate that assessment into its analysis of SDG&E's and SoCalGas' requested rates for 2022 and 2023, the Commission will be left with seriously outdated information which uses a dangerously outdated risk analysis. With neither accurate data nor the required risk analysis, the Commission would be unable to ensure that all reasonable and appropriate safety actions are both necessary and "consistent with the principle of just and reasonable cost-based rates."[59] Doing what POC proposes here – requiring that current risk requirements are incorporated into the Commission's review of SDG&E's and SoCalGas' 2022 and 2023 revenue requests – will give the Commission its best chance to avoid missing significant safety and accountability requirements as it considers SDG&E's and SoCalGas' forthcoming petition for modification of D.19-09-051 in its TY2019 GRC proceeding.

IV. CONSOLIDATING THIS PROCEEDING WITH THE TY2019 PROCEEDING WILL PROMOTE EFFICIENCY AND EXPEDIENCY.

In view of the representation that SDG&E and SoCalGas are nearly ready to file their petition for modification of D.19-09-051,[60] this proceeding should be consolidated with the TY2019 GRC proceeding. Consolidating this proceeding with the upcoming TY2019 GRC filing is the same approach the OIIs in this proceeding proposed with respect to the TY2022 GRC proceeding, which was anticipated before D.20-01-002.[61]

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[58] *Ibid.*

[59] Pub. Util. Code, § 963(b)(3) ("The commission shall take all reasonable and appropriate actions necessary to carry out the safety priority policy of this paragraph consistent with the principle of just and reasonable cost-based rates."); *see also* Pub. Util. Code, § 750 (the procedures considered in a rate case application "shall include a means by which safety information acquired by the commission through monitoring, data tracking and analysis, accident investigations, and audits of an applicant's safety programs may inform the commission's consideration of the application.").

[60] I.19-10-010/011, February 26, 2020 Prehearing Conference Transcript (March 4, 2020), p. 16.

[61] I.19-11-010, OII, p. 5; I.19-11-011, OII, p. 5 ("As described in D.14-12-025, no decision is anticipated in the OII as the OII may be consolidated with [SDG&E's and SoCalGas'] TY2022 GRC.").

Likewise, as the OIIs in this proceeding also explain, a decision closing this OII should only be issued in this proceeding "if it is concluded that the RAMP process has been completed and RAMP findings have been fully integrated into [SDG&E's and SoCalGas'] TY2019 GRC proceeding."[62] Just like the initial review of the TY2019 GRC proceeding, SDG&E's and SoCalGas' petition for modification of D.19-09-051 will require evidentiary hearings and discovery.[63] The California Supreme Court has already rejected the assertion "that a 'trial type hearing' is not required" when the Commission alters or amends a prior order, and has held that the "phrase 'opportunity to be heard' implies at the very least that a party must be permitted to prove the substance of its protest rather than merely being allowed to submit written objections to a proposal."[64] Thus, accommodating D.20-01-002 in this RAMP proceeding should be straightforward. Instead of evaluating SDG&E's and SoCalGas' assessment of their "key safety risks and proposed mitigation of those risks for its upcoming TY2022 GRC filing,"[65] SDG&E's and SoCalGas' assessment can – and should – be evaluated for use in its upcoming TY2019 filing.

V. POC REQUESTS A RULING CLARIFYING THE INTERVENOR COMPENSATION PROCESS IN THIS PROCEEDING AND THE UPCOMING PHASE OF THE TY2019 GRC PROCEEDING.

Here, in light of the need to address RAMP requirements and requested rates for 2022 and 2023 in the TY2019 GRC proceeding as a result of D.20-01-002, POC requests a ruling clarifying whether a notice of intent to claim intervenor compensation filed in this proceeding will apply to subsequent participation in the upcoming phase of SDG&E's and SoCalGas' TY2019 GRC proceeding; or whether and when new notices of intent to request intervenor compensation for parties' ongoing work in this proceeding and in the upcoming phase of the TY2019 GRC proceeding should also be filed in the TY2019 GRC proceeding.[66]

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[62] I.19-11-010, OII, p. 5; I.19-11-011, OII, p. 5.
[63] Pub. Util. Code, § 1708; *California Trucking Assn. v. Public Utilities Comm.* (1977) 19 Cal.3d 240, 244-245 (Section 1708's requirement to provide the same "opportunity to be heard as provided in the case of complaints" requires "a hearing at which parties are entitled to be heard and to introduce evidence, and the commission must issue process to enforce the attendance of witnesses").
[64] *Ibid.; see also, e.g. Caesar's Restaurant v. Industrial Acc. Commission* (1959) 175 Cal.App.2d 850, 855 ("The right to [a fair and open hearing] is one of 'the rudiments of fair play' (citation) assured to every litigant by the Fourteenth Amendment as a minimal requirement.").
[65] I.19-11-010, OII, p. 6; I.19-11-011, OII, p. 6.
[66] Pub. Util. Code, § 1804(a)(1) ("in cases where the schedule would not reasonably allow parties to identify issues within [30 days after the prehearing conference is held], or where new issues emerge subsequent to the time set for filing, the commission may determine an appropriate procedure for accepting new or revised notices of intent" to claim intervenor compensation.").

VI. CONCLUSION

POC submits that the Commission should thoroughly review the 2019 RAMP Report and require SDG&E and SoCalGas to adhere to safety and risk requirements arising from D.16-08-018 and D.18-12-014 as part of the Commission's analysis - which to date has not yet occurred. This 2019 RAMP proceeding can and should be consolidated with the upcoming review of 2022 and 2023 as attrition years in the TY2019 GRC proceeding, as the Commission expected to do prior to D.20-01-002 with the review of 2022 and 2023 as a test year and an attrition year in the TY2022 proceeding. Integrating this 2019 RAMP proceeding and the upcoming phase of the TY2019 GRC proceeding will most efficiently allow for SDG&E's and SoCalGas' requested revenue requirements for 2022 and 2023 to be appropriately evaluated and reviewed.

/s/ Malinda Dickenson
Malinda Dickenson, General Counsel
The Protect Our Communities Foundation
4452 Park Blvd. #202
San Diego, California 92116
Tel: (858) 521-8492
Email: malinda@protectourcommunities.org
Attorney for The Protect Our Communities Foundation

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